## REMARKS/ARGUMENTS

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Claims 1, 3-8, 25, 26, 31 and 32-37 are presently active in this case, Claims 1, 5, 25, 26, 31 and 32 are amended by the present amendment.

In the outstanding Office Action, Claims 1, 6, 7, 8, 25, 31 and 32 were rejected under 35 U.S.C. §103(a) as unpatentable over <u>de Groot</u> (U.S. Patent No. 6,421,047) in view of <u>Kusmaul</u> (WO 96/07151) in further view of <u>Lombardi</u> (U.S. Pat. No. 5,889,951); Claims 3-5, 26, 34, 35 and 37 were rejected under 35 U.S.C. §103(a) as unpatentable over <u>de Groot</u>, <u>Kusmaul</u> and <u>Lombardi</u> in view of <u>Leahy et al.</u> (U.S. Patent No. 6,219,045, herein <u>Leahy</u>); and Claims 33 and 36 were rejected under 35 U.S.C. §103(a) as unpatentable over <u>de Groot</u>, <u>Kusmaul</u> and <u>Lombardi</u> in further view of <u>Boyd</u> (U.S. Provisional App. 60/185,902).

Support for amendments to the claims can be found in the disclosure as originally filed, for example, on page 36, lines 16-18. Specifically, this portion of disclosure states that "the above structure makes it possible to set user fees depending on the…function." Thus, no new matter is added.

In response to the rejection of Claims 1, 3-8, 25, 26, 31 and 32-37 under 35 U.S.C. §103(a), Applicant respectfully requests reconsideration of these rejections and traverses the rejections as discussed next.

Amended Claim 1 recites, in part,

virtual space information storing means for storing, in advance, virtual space information specifying a plurality of types of virtual spaces to be offered for purchase, the virtual spaces configured to enable interaction between avatars, the types of virtual spaces being determined based on respective characteristics of the virtual spaces different from an amount of resources of the community service offering apparatus that is utilized by each respective virtual space, the respective characteristics including functionally of the virtual space;

virtual space offering means for allowing a first user of a plurality of users to select one of said virtual spaces as a userspecific virtual space leased or owned by said first user of the plurality of users, each user corresponding to at least one avatar; and

charge controlling means for charging said first user of the plurality of users a fee to own or lease said user-specific virtual space, wherein said fee is based on the specified type of said user-specific virtual space which is determined based on respective characteristics of the virtual space which includes the functionally of the virtual space and only said first user of the plurality of users is charged to own or lease said user-specific virtual space and the remaining plurality of users may access the virtual space without charge.

Claims 25, 31 and 32 recite similar features with regard to the respective characteristics.

In the outstanding Office Action, Claim 1 was rejected under 35 U.S.C. §103(a) as being unpatentable over <u>de Groot</u> and <u>Kasmaul</u> in view of <u>Lombardi</u>. Specifically, the outstanding Office Action acknowledges on page 3 that <u>de Groot</u> does not describe or suggest the charge controlling means recited in Claim 1 but nevertheless relies on <u>Lombardi</u> as curing this deficiency of <u>de Groot</u>.

Lombardi describes a multi-dimensional virtual environment in which units of virtual terrain and corresponding airspace corresponding to internet sites that can be leased. In addition, Lombardi describes that the lease rate for a unit of virtual terrain is based on "density of virtual sites in the area, popularity of other nearby virtual sites, and the amount of user traffic in the area." In other words, in Lombardi the lease rate for a virtual site is based on the popularity of the area in which the virtual site is located. Similar to how an acre of land in a dense population zone such as New York City is more expensive than an acre of land in a sparse population zone such as Montana, for instance.

However, <u>Lombardi</u> does not describe or suggest a fee is based on the specified type of said user-specific virtual space which is determined based on respective characteristics of the virtual space which includes the functionally of the virtual space, as is recited in Claim 1. This feature is simply not described or suggested in <u>Lombardi</u>.

In other words, <u>Lombardi</u> bases the rate for leasing a virtual site solely on the proximity of the site to locales where users are known to congregate. Such a configuration plays into the purpose of <u>Lombardi</u> which envisions a virtual internet world where popularity of known internet sites can be used as a spring board to introduce users to unknown sites. In contrast, the claimed invention describes charging a user a fee based on the type of virtual space selected, different types of virtual spaces having different functionality. This feature is not described or suggest in Lombardi.

However, the outstanding Office Action relies on <u>Kasmaul</u> as curing the deficiencies of <u>de Groot</u> and Lombardi.

<u>Kusmaul</u> describes virtual villages in which virtual real estate may be rented. In addition <u>Kusmaul</u> describes that the charge for the virtual real estate is based on the kind and size of the virtual real estate, where kind and size corresponds to the amount of resources utilized.<sup>1</sup>

However, <u>Kusmaul</u> does not cure the deficiencies of <u>de Groot</u> and <u>Lombardi</u> with regard to the claimed invention at least because <u>Kusmaul</u> does not describe or suggest that a fee is based on the specified type of said user-specific virtual space which is determined based on respective characteristics of the virtual space which includes the functionality of the virtual space, the respective characteristics of the virtual spaces being different from an amount of resources of the community service offering apparatus that is utilized by each respective virtual space.

Specifically, <u>Kusmaul</u> states on page 3 that "a tenant is thus charged for *the square* bytes associated with the "kind" and "size" of the space it rents, where "kind" translates to the types of resources utilized and "size" translates to the amounts of the various system resources utilized."

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<sup>&</sup>lt;sup>1</sup> See page 3, line 29 of Kusmaul.

Thus, while the respective characteristics of Claim 1 include the functionality of the virtual space, in Kusmaul the fee is based on the amount of various system resources used.

Accordingly, Applicants respectfully submit that <u>Kusmaul</u> does not cure the above noted deficiencies of <u>de Groot</u> and <u>Lombardi</u> with respect to the above noted features of amended Claims 1, 25, 31 and 32.

In addition, none of the further cited <u>Leahy</u> or <u>Boyd</u> references cures the above noted deficiencies of <u>de Groot</u>, <u>Lombardi</u> and <u>Kusmaul</u> with regard to the claimed invention.

In addition, with respect to Claims 5 and 26, the outstanding Action states on pages 5-6 that

Leahy et al. disclose that each room has a given maximum number of avatars...since each room has a given maximum number of avatars (objects), the limitations on the virtual space fee based on number of users, objects, types of objects, amount of data constituting a real storage area, specified type of said user-specific virtual space, and the amount of virtual space owned or leased by said purchasing/first user in the virtual world are deemed an obvious variant of Leahy et al. which monitor popularity in conjunction with billing to bill higher at most popular spaces.

However, Applicants note that *Claims 5 and 26 have been amended to clarify that* the claimed objects are non-avatar objects. Thus, even if <u>Leahy</u> is interpreted as describing that a room has a maximum number of avatars, such a description <u>cannot</u> be used to anticipate the features recited in Claims 5 and 26 which are directed to non-avatar objects. For instance, in a non-limiting example, Figure 10 illustrates an example of a non-avatar object that can be placed in the virtual space of the claimed invention. Claims 5 and 26 recite various means for limiting the number of non-avatar objects and charging the user to purchase/place such objects in the user's virtual space. These features are not described or suggested in <u>Leahy</u> or in any of the further cited <u>de Groot</u>, <u>Lombardi</u> or <u>Kusmaul</u> references.

Accordingly, for the above reasons, Applicants respectfully submit that Claims 1, 25, 31 and 32, and claim depending therefrom, patentably distinguish over <u>de Groot, Kusmaul, Boyd</u> and <u>Leahy</u> considered individually or in any proper combination.

Consequently, in light of the above discussion and in view of the present amendment, the present application is believed to be in condition for allowance and an early and favorable action to that effect is respectfully requested.

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